



National Organization for Women

Expanding Social Security for Women is Vitally Important – Rep. John Larson's Legislation is a Strong Step Forward

Statement by Toni Van Pelt, President, National Organization for Women
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Good morning, Members of Congress and honored guests. My name is Toni Van Pelt and I am president of the National Organization for Women, the largest grassroots feminist activist organization in the country, with hundreds of chapters in every state and the District of Columbia.

Thank you, Rep. Larson, for this opportunity to talk about one of NOW's most important core issues: strengthening the economic security of women – women of all ages, women of color and especially, for older women. Since the early 1970s, NOW has spoken out for improvements to Social Security that would further diminish poverty among older women and low-income earners and adjust the system to recognize changing demographics. Over those nearly five decades as the women's rights movement has grown, millions of women have entered the paid workforce, contributed their Social Security taxes and are or will be collecting their Social Security retirement benefits as workers, rather than spouses. Social Security as a universal social insurance program has been strengthened as a result of these many millions of women workers.

There is indisputable evidence that Social Security has dramatically reduced poverty in this country. For women, it is by far our most valued program, protecting not just retirees, but persons with disabilities and survivors in households where an income earner has become unable to work or is deceased. Children and families, too, are protected by Social Security. Lifetime low-income workers are also covered in retirement by a slightly higher guaranteed minimum benefit.

Let me just take a moment to stress a vital fact about Social Security – refuting the false claim of those who want to convert the program to risky private investment accounts: Social Security is not going broke. The Social Security Trustees reported this spring that there is a projected accumulated surplus of \$2.9 trillion, fully funding benefits until 2035. That's good news.

But for extra measure, Rep. Larson's legislation, the Social Security 2100 Act, will take us to the next century and the next level of solvency. Polling shows that most Americans support lifting the cap on payroll taxable income so that millionaires and billionaires pay the same rate as everyone else. This bill would lift the cap from \$132,900 to \$400,000, affecting just the top 0.4 percent of wage earners. Additionally, a

very small increase in the contribution rate of 50 cents per worker per work will keep the system solvent and viable for decades to come.

Ten years ago, NOW began a more focused effort to convince our allies and members of Congress that we had to improve benefits under Social Security – compared to other developed nations our retirement benefits are modest. Plus, we knew that many elderly women, especially women of color, were living close to the poverty line.

Here's the very good news: Rep. Larson wants a benefit bump for all current and new beneficiaries, amounting to 2 percent of the average benefit. That should provide an extra measure of financial security for retirees who have not been able to save enough for retirement. This will also be an important improvement for the many older women who retire without pensions and outlive their spouses and their savings.

In addition, the minimum benefit for lifetime low-income workers will be set at 25 percent above the poverty line and tied to wage levels to assure that it does not fall behind. The Social Security 2100 Act recognizes our nation's serious retirement funding crisis due to declining household income, the loss of savings and home equity values in the Great Recession, plus the disappearance of defined benefit pensions. The Act would cut taxes for almost 12 million Social Security recipients. Currently, Social Security benefits are taxed if a person's non-Social Security income tops \$25,000 for an individual and \$35,000 for a couple. Those thresholds would become \$50,000 and \$100,000.

No increase in benefits from this Act would result in cuts to benefits in other programs, such as Social Security Supplemental Income, Medicaid, and CHIP, the child health insurance program

Finally, applying a more accurate cost-of-living measure, the CPI-E, to address the fact that seniors allot more of their income to health care costs and other necessities will provide better protection. This is particularly important for older women who tend to have higher health expenses than men and live longer.

The National Organization for Women pledges to work for changes proposed in The Social Security 2100 Act and to help spread the word about the legislation to our thousands of grassroots activists – especially for our 2020 action agenda.

Thank you.